

MMS Alaska OCS Region News Release

For Immediate Release

Robin Lee Cacy
907-271-6070
1-800-764-2627
www.mms.gov/alaska

MMS ISSUES DRAFT PROPOSED 5-YEAR OUTER CONTINENTAL SHELF LEASING PROGRAM FOR 2002-2007

The Minerals Management Service today announced the Draft Proposed 5-Year Program for natural gas and oil activities on the federal Outer Continental Shelf. The Draft Proposed Outer Continental Shelf Oil & Gas Leasing Program 2002-2007 will be published in Monday's *Federal Register*. It proposes sales in the Gulf of Mexico's Western, Central and Eastern planning areas; and Alaska's Beaufort Sea, Norton Basin, Cook Inlet/Shelikof Strait and the Chukchi Sea/Hope Basin. Sales in the Atlantic and Pacific were not considered because of moratoria.

The Gulf of Mexico accounts for about 25 percent of the nation's oil and gas production. In Alaska, the first OCS production will come from Northstar, which includes both Federal and State leases.

"We are proposing to hold 20 offshore lease sales during the next five years in an effort to help this country meet its energy demands of the future. Even with increased conservation efforts, we are confronted with a national energy problem where our dependence on foreign oil will continue as well as increased reliance on natural gas—an environmentally preferable fuel primarily produced domestically," said MMS acting director Tom Kitsos.

Over the next 20 years, U.S. oil consumption will rise 33 percent, natural gas use will grow more than 50 percent, and demand for electricity will rise 45 percent. The nation now relies on foreign imports for almost 60 percent of its oil. Last winter, heating bills for many families tripled and average natural gas heating costs in the Midwest rose 75 percent.

"As we prepare the 2002 - 2007 leasing program, we will work in consultation with our constituents to develop a program that is environmentally responsible and offers a judicious approach toward advancing an important part of our national strategy for energy independence," Kitsos added.

Lease sales proposed in the Alaska Region include three in the Beaufort Sea, two in Cook Inlet, two in the Chukchi Sea/Hope Basin, and one in Norton Sound. Exploration on the OCS can provide continuing job opportunities for Alaska workers. Discoveries of new oil deposits will help stabilize production in the State. Oil and gas production from new fields will help to offset this nation's increasing reliance on imported oil.

This proposal will provide companies the opportunity to continue the search for oil, but also offers areas believed to contain natural gas. "Gas production in the southcentral region of Alaska is in decline," said John Goll, MMS Alaska Regional Director. "This proposal could open the door to seeking future gas resources for Anchorage, the Matanuska Valley, and the Kenai Peninsula."

The areas off Western Alaska, although largely unexplored, may contain substantial natural gas resources. "The areas offshore Northwestern Alaska clearly hold promise for gas reserves, although most likely in the longer term. Offshore gas could be a source of energy for neighboring communities." Goll added.

As required by the OCS Lands Act, the MMS is preparing a new 5-year program to succeed the current one ending on June 30, 2002. The draft proposed program is the second step in a process that began in December 2000 with a request for comments and information. After considering the more than 10 thousand comments received and analyzing the areas of the OCS available for leasing, the MMS developed this initial schedule of lease sales.

Table A
Draft Proposed Program for 2002-2007—Lease Sale Schedule

Sale No.	Area	Year
184	Western Gulf of Mexico	2002
185	Central Gulf of Mexico	2003
186	Beaufort Sea	2003
187	Western Gulf of Mexico	2003
188	Norton Basin	2003
189	Eastern Gulf of Mexico	2003
190	Central Gulf of Mexico	2004
191	Cook Inlet/Shelikof Strait	2004
192	Western Gulf of Mexico	2004
193	Chukchi Sea/Hope Basin	2004
194	Central Gulf of Mexico	2005
195	Beaufort Sea	2005
196	Western Gulf of Mexico	2005
197	Eastern Gulf of Mexico	2005
198	Central Gulf of Mexico	2006
199	Cook Inlet/Shelikof Strait	2006
200	Western Gulf of Mexico	2006
201	Central Gulf of Mexico	2007
202	Beaufort Sea	2007
203	Chukchi Sea/Hope Basin	2007

Comments on the draft Program will be accepted until September 21, 2001. The MMS will issue a Proposed Program and draft Environmental Impact Statement in the fall of 2001. There will be a 90-day comment period on the EIS and the Proposed Program. After reviewing the comments received, the MMS will issue a proposed final program and final EIS in spring 2002. The Secretary of the Interior is expected to approve the new program next spring to go into effect as of July 1, 2002.

The draft Proposed Program decision document, which presents detailed information concerning the analyses and options on which the program is based, may be downloaded from the MMS internet website at www.mms.gov. A CD-ROM of the document is available by writing to the MMS Alaska Region, 949 East 36th Avenue, Room 308, Anchorage, AK 99508, or by calling 907-271-6438 or 1-800-764-2627.

Comments may be sent via e-mail to MMS5-year.document@mms.gov. Comments also may be mailed to the 5-Year Program Manager, Minerals Management Service (MS-4430), 381 Elden St., Herndon, VA 22070. The MMS will accept hand deliveries at 1849 C Street, NW, Room 4230, Washington, DC. Envelopes or packages should be marked "Comments on Draft Proposed OCS Oil and Gas Leasing Program for 2002-2007."

MMS is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the outer continental shelf in federal offshore waters. The agency also collects, accounts for and disburses mineral revenues from federal and Indian leases. These collections totaled nearly \$8 billion last year and more than \$110 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

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